

(b) You may send comments regarding any aspect of the collection of information under this part to the Information Collection Clearance Officer, Bureau of Ocean Energy Management, 381 Elden Street, Herndon, VA 20170.

## Subpart B—Bidding Systems

### GENERAL PROVISIONS

#### § 560.101 What is the purpose of this subpart?

This subpart establishes the bidding systems that we may use to offer and sell Federal leases for the exploration, development, and production of oil and gas resources located on the OCS.

#### § 560.102 What definitions apply to this subpart?

*Act* means the Outer Continental Shelf Deep Water Royalty Relief Act, Pub. L. 104-58, 43 U.S.C. 1337(3).

*Eligible lease* means a lease that:

- (1) Is issued as part of an OCS lease sale held after November 28, 1995, and before November 28, 2000;
- (2) Is located in the Gulf of Mexico in water depths of 200 meters or deeper;
- (3) Lies wholly west of 87 degrees, 30 minutes West longitude; and
- (4) Is offered subject to a royalty suspension volume.

*Field* means an area consisting of a single reservoir or multiple reservoirs all grouped on, or related to, the same general geological structural feature and/or stratigraphic trapping condition. Two or more reservoirs may be in a field, separated vertically by intervening impervious strata, or laterally by local geologic barriers, or by both.

*Highest responsible qualified bidder* means a person who has met the appropriate requirements of 30 CFR part 556, subpart G, and has submitted a bid higher than any other bids by qualified bidders on the same tract.

*Highest royalty rate* means the highest percent rate payable to the United States, as specified in the lease, in the amount or value of the production saved, removed, or sold.

*Lease period* means the time from lease issuance until relinquishment, expiration, or termination.

*Lowest royalty rate* means the lowest percent rate payable to the United

States, as specified in the lease, in the amount or value of the production saved, removed, or sold.

*OCS lease sale* means the Department of the Interior (DOI) proceeding by which leases for certain OCS tracts are offered for sale by competitive bidding and during which bids are received, announced, and recorded.

*Pre-Act lease* means a lease that:

- (1) Is issued as part of an OCS lease sale held before November 28, 1995;
- (2) Is located in the Gulf of Mexico in water depths of 200 meters or deeper; and
- (3) Lies wholly west of 87 degrees, 30 minutes West longitude (see 30 CFR part 203).

*Production period* means the period during which the amount of oil and gas produced from a tract (or, if the tract is unitized, the amount of oil and gas as allocated under a unitization formula) will be measured for purposes of determining the amount of royalty payable to the United States.

*Qualified bidder* means a person who has met the appropriate requirements of 30 CFR part 556, subpart G.

*Royalty rate* means the percentage of the amount or value of the production saved, removed, or sold that is due and payable to the United States Government.

*Royalty suspension (RS) lease* means a lease that:

- (1) Is issued as part of an OCS lease sale held after November 28, 2000;
- (2) Is in locations or planning areas specified in a particular Notice of OCS Lease Sale; and
- (3) Is offered subject to a royalty suspension specified in a Notice of OCS Lease Sale published in the FEDERAL REGISTER.

*Tract* means a designation assigned solely for administrative purposes to a block or combination of blocks that are identified by a leasing map or an official protraction diagram prepared by the DOI.

*Value of production* means the value of all oil and gas production saved, removed, or sold from a tract (or, if the tract is unitized, the value of all oil and gas production saved, removed, or sold and credited to the tract under a unitization formula) during a period of